

Taking into account March 2018

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Modern day motivating

Gone are the days that people stay in jobs until they retire, with statistics now showing us, that on average, only 30% of people stay in a job for more than four years. This statistic is made even more dramatic when you factor in that people are not only changing jobs, they are changing careers on average 3-5 times over their life.

So given this new modern landscape for employment, all business owners should be asking themselves, "what can be done to keep my good employees on board with the team".

Communication

Although the obvious one, sometimes in the busy lives we lead, and the world of online communication, we forget to communicate with our team in person. So, make sure you take the time to say hi and bye, give them thanks when they do something well, and let them know you notice when they do those little extras. Making yourself available directly can also add a great sense of job satisfaction for those working under you.

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Be an example

Although it's not always easy when the "to do" list is mounting up, and the pressures are high, but try and keep the energy level pumping around the business as positive as you can. This helps build a better culture, and create more job satisfaction. If people like the team they are surrounded with, and the people that lead them, they will feel more satisfied with coming to work each day. And don't be afraid to be human, allow some fun to show them that you work hard, but you play hard to.

Share the vision

Make sure your team know what the overall vision is for the business and share it enthusiastically. They will thrive on feeling like they have a real purpose, knowing that each person in the process, no matter what their actual job role is, fits in with a bigger overriding goal. Its human nature to feel fulfilled when achieving something as part of a team, so let them know what the team goal is. By letting them know what the goal is, you are also helping keep them focused on what they are trying to achieve overall.

Empower them

By giving your team real responsibility, you let them know that you trust them and that you have confidence in their abilities. You can do this in small or big ways. For example, if a member of your team comes to you with a suggestion that you think is good, let them present it to the team for feedback, or implementation. Let them own their ideas, rather than you being the one to implement it. This will give them a great sense of achievement, as well as encouraging other members of the team to do the same.

Offer career growth

Encourage members of your team to set some professional goals for themselves and/or help them put these together. This lets them know

that they are a valued member of the team and you want to see them further themselves within the team. This lets them know they are part of the long term view of the business, part of the big picture. This can help motivate them as well as generating more sales in your business. Be creative in the way that you put these goals together, it doesn't always have to be just sending them off for another course that relates to their current role, it could be sending them off to an expo on your industry to gain new insights, branching out into another complementary skill set, not just something based on their current role, i.e. you could send your admin team off to do a selling skills course. If you think a topic is engaging enough, you could invite a speaker to come and talk to your whole team. In the digital age, there are also countless online courses that can be taken, so think broadly about how you can help each team member upskill.

Provide flexible work arrangements

With work-life balance a buzz word that has now become a reality, people are no longer satisfied with being able to achieve goals inside the work place, they also want to achieve outside those boundaries. So by allowing more flexible work arrangements, your team will appreciate that they work for someone who understands what's important to them inside work, and out.

Have a little fun

Of course, we can't all create a working environment as extreme as the likes of Google do, however do take the time to make your workplace a bit more fun. Have fun themed days, play some music, put a table tennis table out back, create an outside seating area that people can enjoy some fresh air during the day, order in a surprise lunch one day, book a massage to come into work and give everyone a little rest, have a cake to celebrate birthdays, work anniversaries etc. Think about your own work place and what might

work for you. Don't be afraid to trial different things and see what works the best.

Provide incentives

This doesn't necessarily have to be monetary, although it can be. So, think outside the square. You may create an incentive scheme around sharing of profits at month or year end, taking the team out for dinner, or you may provide time off work paid as an incentive to give them back time. This has the dual purpose of providing a reward for your team, as well as an incentive/goal to work towards.

The other issue that modern day job trends raise is "should you employ a job hopper?"

The answer in some cases can be yes. Although there are definitely costs associated with getting a new team member trained up, there can also be substantial benefits to your organisation. Having fresh eyes look at your systems/processes can be a good chance to review if there are any obsolete procedures still floating around your organisation. It can also be a good chance to get input as their broad employment experience can often give them experience with how others are doing things more efficiently. New employees also typically come with more enthusiasm to a role and are more flexible and hard-working compared to long term employees who can become complacent or have a sense of entitlement over time. So, don't always be quick to overlook these job hoppers when reading through applicants for new jobs as there can be real benefits.

Trisha Ross





The ATO's FBT Hot Spots

The Fringe Benefits Tax (FBT) year ends on 31 March. We've outlined the key hot spots for employers and employees.

Motor Vehicles – using the company car outside of work

Just because your business buys a motor vehicle and it is used as a work vehicle, that alone does not mean that the car is exempt from FBT. If you use the car for private purposes - pick the kids up from school, do the shopping, use it freely on weekends, garage it at home, your spouse uses it - FBT is likely to apply. While we're sure the old, "what the ATO doesn't know won't hurt them" mentality often applies when the FBT returns are completed, it might not be enough. The private use of work vehicles is firmly in the sites of the Australian Tax Office (ATO).

Private use is when you use a car provided by your employer (this includes directors) outside of simply travelling for work related purposes.

If the work vehicle is garaged at or near your home, even if only for security reasons, it is taken to be available for private use regardless of whether or not you have permission to use the car privately. Similarly, where the place of employment and residence are the same, the car is taken to be available for the private use of the employee.

Finding out that a car has been used for non work-related purposes is not that difficult. Often, the odometer readings don't match the work schedule of the business. These are areas the ATO will be looking at.

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Utes and commercial vehicles – the new safe harbour to avoid FBT

When an employer provides an employee with the use of a car or other vehicle then this would generally be treated as a car fringe benefit or residual fringe benefit and could potentially trigger an FBT liability.

However, the FBT Act contains some exemptions which can apply in situations where certain vehicles (utes and other commercial vehicles for example) are provided and the private use of the vehicles is limited to work-related travel, and other private use that is 'minor, infrequent and irregular'.

One of the practical challenges when applying the exemption is how to determine if private use has been minor, infrequent and irregular. The ATO recently released a compliance guide that spells out what the regulator will look for when reviewing the use of the exemption.

The ATO has indicated that in general, private use by an employee will qualify for the exemption where:

- The employer provides an eligible vehicle to the employee to perform their work duties. An eligible vehicle is generally a vehicle for commercial purposes. The requirements are very strict and guidance on this is published on the ATO website.
- The employer takes reasonable

steps to limit private use and they have measures in place to monitor this – this might be a policy on the private use of vehicles that is monitored using odometer readings to compare business kilometres and home to work kilometres travelled by the employee against the total kilometres travelled.

- The vehicle has no non-business accessories – for example a child safety seat.
- The value of the vehicle when it was acquired was less than the luxury car tax threshold (\$75,526 for fuel efficient vehicles in 2017-18 and \$65,094 for other vehicles).
- The vehicle is not provided as part of a salary sacrifice arrangement; and
- The employee uses the vehicle to travel between their home and their place of work and any diversion adds no more than two kilometres to the ordinary length of that trip, they travel no more than 750 km in total for each FBT year for multiple journeys taken for a wholly private purpose and, no single, return journey for a wholly private purpose exceeds 200 km.

If you meet all these specifications, the ATO has stated that it will not investigate the use of the FBT exemption further. However, the employer will still need to keep records to prove that the conditions above have been satisfied.

Power and Influence

The other business influencer that can make or break you



Did a Kardashian really just wipe US \$1.3bn off the share price of Snapchat?

A tweet from Kylie Jenner saying “sooo does anyone else not open Snapchat anymore? Or is it just me... ugh this is so sad” is being credited as the catalyst for an 8% drop in Snap* Inc’s share price.

While the price clawed back 2% that same day, and Jenner softened her commentary with another tweet saying, “still love you tho snap ... my first love,” the effectiveness of Snapchat’s strategic direction had already been judged by its own social media jury.

The share price of Snap rose to a high of US\$20.75 from AU\$14.06 with the release of the update but had been buffeted by negative feedback. The share price had been gradually falling since 16 February. Jenner’s tweet made that decline a much sharper descent.

When an influencer has 24.5 million followers on Twitter, anything she says

penetrates faster than mainstream media. Jenner’s Snapchat commentary attracted over 300,000 likes and over 64,000 comments. While it is ironic that a Kardashian dropped the share price of a product that has been her rocket to fame, it demonstrates the speed at which trend based businesses can rise and fall. Remember Pokemon? Nintendo went from its core user base to a world wide trend. After rising to massive heights in 2016 the use of Pokemon has declined rapidly. The lesson is to have a strategy to capitalise on the trend and sustain it for as long as possible, and never forget your core client base – your core still needs to be there when the trend is over.

It’s common for businesses to work through a list of external influencers and stakeholders to manage risk. Normally, the list considers Government regulation, environmental factors such as location, competitors,

and changes in the marketplace but the cycle of impact of external influences has become much shorter. It’s unusual to have a celebrity in the mix but the positive impact of a celebrity adopting your brand is undeniable.

Jimmy Choo credits Princess Diana’s stylish influence as a catalyst for taking the brand from simply beautiful to desirable – a trend that has not significantly diminished. Kaftan designer Camilla became globally recognised after Oprah Winfrey wore her colourful designs. And, when Kate Middleton wears a Topshop outfit it sells out almost immediately.

The problem for businesses whose products become a trend is that trends go both ways - exponential growth and sharp decline. You are either in the spotlight or you’re not.

* Snapchat’s parent company

Quote of the month

“ *The only way to do great work is to love what you do. If you haven’t found it yet, keep looking. As with all matters of the heart, you’ll know when you find it.* ”

Steve Jobs, co-founder of Apple Inc